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SUBJECT: THE PERFECT MURDER? DEVELOPMENT ZONE TAKES "BUSINESS AS USUAL" APPROACH TO SCANDAL

REF: A. (A) SHANGHAI 60
[1](#)B. (B) SHANGHAI 168

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SHANGHAI, DEPARTMENT OF STATE.
REASON: 1.4 (b), (d)

Summary

[1](#)1. (C) An industrial development zone in western Shanghai hosted a glitzy investment seminar in Pudong's World Financial Center on April 10, one month after the zone's Communist Party Secretary was brutally murdered in an underground parking lot. There were no public references to the murder during the 90-minute seminar, and several participants characterized the event as "business as usual." The Director of the Shanghai Municipal Commerce Commission spoke at the seminar, encouraging investors to continue to do business in Shanghai, which he said would rebound from the economic downturn. A local official told PolOff the murder was "regrettable" and is "still under investigation," and an American investor said he believes the killing was a "random act of violence." One Consulate contact suggested, however, that the official's murder most likely was linked to corruption. End Summary.

Attracting Investor's to Shanghai's (Wild) West

[1](#)2. (C) The Shanghai Qingpu Industrial Zone hosted a glitzy investment seminar in the Shanghai World Financial Center (Jinmao Tower) in the Pudong New District on April 10. The gala celebration, marked by a signing ceremony for 21 investment deals and complete with floral arrangements, upbeat music (including the "Bonanza" theme song), and attractive hostesses, aimed to attract new investors to the 56.2 square kilometer zone, which is located in western Shanghai near Hongqiao Airport. Yu Haiping, the Qingpu Industrial Zone's General Manager, lauded the area's investment climate, which he said (and glossy promotion materials reiterated) features a strong transportation network adjacent to the soon-to-be completed Hongqiao Comprehensive Transportation Hub (Ref A) with convenient routes throughout the Yangtze River Delta region, high quality human resources base with two universities in Qingpu District, comprehensive investor services, and a clean natural environment.

Event Preceded by Murder of Zone's Top Party Official

[1](#)3. (C) One month prior to the seminar, the Qingpu Industrial Zone had attracted netizens' interest after an article appeared

on Sina.com reporting that Li Mingyun, the zone's Communist Party Secretary, was found brutally murdered on the morning of March 9. Li's body was found in an underground parking lot by another resident. The 59-year old Li had worked for the Qingpu Industrial Zone since 2005 and had worked for the Qingpu District Government since 1997. The Sina.com article stated that Li also was beaten up four months before the murder, but he did not report the assault to the police. Li reportedly was nine months away from retirement when he was killed. There were no public references to Li's death during the 90-minute seminar on April 10.

"Business as Usual" in Midst of Financial Crisis

¶4. (C) Several participants privately commented to PolOff on the unusual circumstances, but they characterized the seminar as "business as usual." Greg Gottlieb, an American investor, told PolOff that he thought it was strange there was no mention of Li during the event, but the murder had had virtually no impact on business in the Qingpu Industrial Zone. "Other than that we knew him, it doesn't really affect us," said Gottlieb, who is Senior VP and Managing Director for Asia-Pacific at Armstrong World Industries. Sha Hailin, the Director of the Shanghai Municipal Commerce Commission, spoke at the seminar, accentuating the "business as usual" feeling by focusing his remarks on continuing to attract investment to Shanghai despite the global financial crisis and China's own economic downturn. Sha exhorted investors to continue to do business in Shanghai, which he confidently said would quickly rebound from the downturn. Sha reassured participants that the Shanghai Municipal Government is "taking steps" to deal with the economic situation, adding that he was late to the seminar because of an "important meeting to deal with the crisis."

Perhaps a Random Act of Violence...

¶5. (C) When directly queried on Li's murder, a Qingpu District Bureau of Industry and Commerce official told PolOff the murder was "regrettable," but he did not want to talk about it because the case is "still under investigation." He defended the zone's decision to take a "business as usual" approach to the investment seminar, saying that it was more important to consider the "whole situation" than a tragedy involving one individual. Armstrong's Gottlieb told PolOff he had heard little about the murder since it occurred, but he was led to believe it was the result of a "random act of violence."

...Or Perhaps Not

¶6. (C) One Consulate contact who is an expert on local governance, however, does not believe Li's murder was a random event. Professor Zhu Xueqin, Dean of the Peace and Development Institute at Shanghai University, suggested that the official's murder most likely was linked to corruption, especially given that Li was set to retire and it was the second time he had been attacked. Noting that there are fewer reported cases of corruption in Shanghai than elsewhere in East China, Zhu said the account of Li's murder was reported in a "skillful" way to imply corruption without directly saying as much. (See also Ref B on reporting corruption online in East China.)

Comment: Wolves in Sheep's Clothing?

¶7. (C) Some officials at the investment seminar (for which planning began long before the murder) appeared to be delighted that the Party Secretary no longer is in the picture. In particular, Yu Haiping, the zone's happy-go-lucky general manager, seemed quite pleased to serve as the zone's official representative and pose for photographs with investors. While it is not surprising that a development zone seeking investors

would not advertise the murder of one of its leaders at an investment seminar, the sequence of events from Li's murder on March 9 to the investment seminar on April 10, taken together with the indifferent reaction by seminar participants to Li's murder, gives the appearance that: (1) Li was not well-loved by those who worked for him, lending a degree of credence to the view that he was engaged in corrupt practices, and (2) others in the zone's leadership hierarchy are now benefiting from inking 21 new investment deals in the aftermath of Li's death.

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